

## **GENERAL UNIT, MANAGEMENT & CONFIDENTIAL**

### **Health Insurance Reimbursement Program**

The Health Reimbursement Program is available to the General Unit, Management and Confidential employees. The reimbursement amount is \$1800 for 2002 and \$2000 for 2003. In order to be eligible for the Health Insurance Reimbursement Program, an employee must enroll during annual Open Enrollment and must waive health coverage for entire calendar year.

Health Insurance Waivers are subject to Annual Verification. Employees are required to complete a Health Insurance Waiver Verification form and submit proof of current coverage each year during the Annual Open Enrollment period. Program rules are determined by negotiated agreement (MOU). At the end of the year, employees are required to provide proof that coverage was maintained for the entire year. Without proof of coverage, the participating employee automatically forfeits the reimbursement benefit.

An employee who is required by a Court Order to provide health coverage for dependents is automatically disqualified from the program and will be enrolled in health coverage in compliance with the Court Order.

If a significant event should occur which causes an enrolled employee to lose the alternate health coverage, the employee has thirty (30) days to request enrollment in the City health plan. After that grace period, enrollment is only permitted during the annual open enrollment period each November. Return to City of Riverside coverage will automatically forfeit eligibility from the reimbursement program for that year.

#### **Provision of the Health Reimbursement Program**

1. Effective November 2001, employees who can show proof of insurance with a health care provider elsewhere and waive their rights to City provided health insurance shall receive a stipend of \$1800 the last payroll period in November 2002.
2. Effective November 2002, employees who can show proof of insurance with a health care provider elsewhere and waive their rights to City provided health insurance, shall receive a stipend of \$2000 the last payroll period in November 2003.
3. If a change in health insurance plans between married City employees results in a monetary savings to the City, the employee changing their health insurance to the other employee's plan shall be entitled to 80% of said savings, up to \$1800 in 2002 and up to \$2000 in 2003.

*The formula for calculation of the reimbursement amount in the case of two City employees is as follows:*

#### *Legend:*

**S** = Spouse (person covering **both** City employees) **new contribution rate**

**EE** = (person canceling coverage) **contribution if coverage had remained the same.**

**Contribution** = monthly amount contributed by City of Riverside towards employee's health insurance.

#### *Formula:*

Use ALL NEW (year insurance is waived for EE) contribution amounts.

Two Step Process

1. "S" contribution – "EE" contribution = **City Increase** to Spouse contribution.
2. "EE" contribution - **City Increase** x **80%** = **Reimbursement** to EE